File 2B 1885
9-2
9
pages

File No. 2-B of 1885.

Disposal of Surplus Revenues of the Bangalore Assigned Tract.

No. 2902 I., dated Simla, the 27th August 1885.

From—The Junior Under-Secretary to the Government of India, Foreign Department,
(Internal.)

To—The Resident in Mysore.

In continuation of the letter from this office No. 1754 I, dated the 1st June 1885, I am directed to address you on the subject of the disposal of the surplus revenues of the Bangalore Assigned Tract.

2. In the thirteenth paragraph of that letter you were informed of the decision of the Government of India in regard to the disposal of the surplus which had accumulated in the Mysore Treasury from the date of the rendition of the province, to the date of the operation of the orders contained in the letter from this office No. 757 I, dated the 28th February 1884, which directed the incorporation of the local with the imperial accounts.

3. I am now to convey the following observations and orders regarding the mode of dealing with the receipts and expenditure of the Assigned Tract.

4. The question of the ultimate disposal of the surplus will be deferred until the expiry of the term for which the enhancement of the subsidy has been postponed. But the Government of India consider that meantime steps should be taken to ascertain the expenditure which may legitimately be charged against the revenues derived from the tract, so that when the case comes up for final consideration the materials for a decision may be available. Accordingly the Government of India desires that for this purpose a *pro forma* account should be kept in your office showing the proportion of the charges classed as Imperial, and paid out of the Resident's Treasury, which may be debited in the manner proposed. The expenditure so charged should, in the opinion of the Government of India, include one-third of the salaries of the Resident and his staff and of their establishments together with travelling allowances and contingencies. On the other hand the following payments from the Resident's Treasury should remain wholly imperial, namely, (1) Ecclesiastical charges, (2) Political Pensions, (3) Miscellaneous charges unconnected with Mysore, (4) Civil Pensions and (5) Payments to officers on leave at Bangalore.

5. With regard to the rental of the Island of Seringapatam, I am to observe that the sum of Rs. 50,000 per annum, which has on this account been regularly paid by the Mysore Durbar from 1829 up to the date of the rendition, was included in the sum of 35 lakhs, to which the subsidy was enhanced. Owing to its being so included, the payment of the rental as a distinct item appears to have been overlooked and to have been discontinued when the payment of the enhanced subsidy was postponed under the orders conveyed in the letter from this Office No. 92 I. P. of the 24th January 1881. The Government of India do not however now desire to make any separate demand for this rent: but they consider that it will be convenient that the whole amount (Rs. 50,000) should from that date be debited against the revenues of the Assigned Tract in the *pro forma* account now to be opened. And this should accordingly be done.

6. The division of charges, now ordered, should take effect from the date of the assignment of the tract. It will of course be understood that the whole income and expenditure of the tract will continue to be shown in the Imperial accounts and that the distribution will not appear in the accounts proper kept by the officers of the Foreign Department.

Extract of para 13 of letter No. 1754 I, dated the 1st June 1885, from the Foreign Department to the Resident in Mysore.

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13. Another concession solicited by the Durbar is with regard to the disposal of the surplus revenues of the Assigned Tract occupied by the Civil and Military Station of Bangalore. Under recent orders the total revenues of the tract are now credited in the Imperial treasury. Since the rendition of the province, and up to the issue of those orders, the revenues were collected by the officials of the Mysore Administration; and the accrued surplus after meeting the expenditure of the Civil and Military Station still remains in the Mysore treasury. Having regard to the decision come to at the time of the rendition to postpone the enhancement of the subsidy for a period of five years, the Durbar requests that on similar grounds no claim should be made for the surplus revenues of the Assigned Tract. I am to inform you that having regard to the financial position of Mysore, and the inconvenience of now refunding the money, the Governor-General in Council, without however admitting the validity of the arguments used by the Durbar, is pleased in modification of the orders conveyed in the letter from the office No. 971, dated the 8th January 1895, to forego, as a special act of grace, any demand for the surplus now in the Mysore treasury. In the future, as already stated, the revenues will be credited in the Imperial accounts. The heavy expenditure which it is proposed to incur on permanent buildings will leave little more than a nominal balance for some years to come.

Extract of para 3 clause (1) of letter No. 757 I, dated the 28th February 1884 from the Foreign Department to the Resident in Mysore.

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(3) From the 1st April 1884, being the commencement of the financial year, all receipts on account of the revenues of the Assigned Tract should be paid into the British Treasury at Bangalore, and all payments on this account made from the same, in the same manner as the receipts and expenditure of the Residency.

Extract of para 4 of letter No. 92 I. P., dated 24th January 1881, from the Foreign Department to the Chief Commissioner of Mysore.

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4. As regards the subsidy, the Government of India are quite willing that for the next five years it shoud not be increased: and on the expiry of that period the question may be determined according to the circumstances and resources of the State. But it is nevertheless essential that the maximum amount, which has been very carefully considered, should remain recorded in the sunnúd, in order to preclude all doubt as to the complete discretion of the Government of India to deal authoritatively with the matter. The maximum amount of the subsidy now stands fixed as one of the main conditions, approved by Her Majesty's Government, under which the Maharaja enters upon his Government; but if the point were not settled before the transfer of administration takes place, it might be regarded as left open for discussion, and an attempt might be made to treat it as a subject for argument between the Government of India and the Mysore State.

Extract of para 2 of letter No. 2069 I, dated the 29th May 1888, from the Government of India, Foreign Department, to the Resident in Mysore.

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I am at the same time to request that in future the *pro forma* account may be regularly transmitted to the Comptroller of India Treasuries for verification.

Extract of para 3 of letter No. 2025—2-A 5, dated the 18th June 1888, from the Resident in Mysore to the Government of India, Foreign Department.

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The *pro forma* account will in future be forwarded to the Comptroller of India Treasuries for verification as directed.

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THE SECRETARY TO THE GOVERNMENT OF INDIA,
FOREIGN DEPARTMENT.

To

THE RESIDENT IN MYSORE.

Simla, the 15th August 1888.

SIR,

I am now directed to acknowledge the receipt of your letter, No. 3857/3887, dated the 3rd December 1887, in which you submit, for the consideration of the Government of India, the case of three Hospital Assistants of the Madras subordinate Medical Service, who were transferred for service in the Civil and Military Station of Bangalore, and were subsequently attached to the hospitals and dispensaries maintained by the Municipality. On the question being raised whether these officers, while lent to these hospitals and dispensaries, must pay contributions under Chapter III of the Civil Pension Code, or could claim exemption from payment under section 11 (b) of that Chapter, the Madras Government passed a general order that no objection existed to the service of Madras Medical Subordinates being treated as service in British India, provided a share of the pensions earned during such service were borne by the revenues of the Assigned Tract.

2. The effect of section 11 (*b*) in this case is to transfer the charge for the pensions to General Revenues—that is, in this case to the revenues of the Assigned Tract—in relief of Municipal revenues. But as Imperial revenues will ultimately bear the charge for the pensions of these Hospital Assistants, or at any rate that proportion of it which is earned by service under the Bangalore Municipality, the adjustment of the liability between Imperial and Assigned Tract revenues will be secured by charging in the *pro forma* account of the latter the contribution which would have been paid if the special concession in favour of medical officers had not existed.

3. I am also to request that, in modification of the instructions conveyed in the letter from this Department, No. 2902-I., dated the 27th August 1885, for showing pension charges in the *pro forma* account of the Assigned Tract, the following procedure may in future be adopted, although it is not desired that any retrospective adjustment should be made. In the case of officers rendering pensionable service, the charge included in the *pro forma* account for pensions (and, in the case of the principal European officers, for leave also) should be the contribution calculated under the Foreign Service Rules. The pensions of such officers, when they fall due, will be met from the Imperial revenues, and no charge should be shown in the account for pensions of this nature which are at present payable. In the case of the Resident and

his staff and their establishments, one-third of whose salaries are debited to the Assigned revenues, only one-third of the full contribution should be shown in the account. The account will, of course, also be debited with the actual leave allowances of officers in whose case only the percentage for pension is charged.

I have the honour to be,

SIR,

Your most obedient servant,

(Sd.) H. M. DURAND,
Secretary to the Government of India.

No. 1557-G.

A Copy of the foregoing letter, and of the letter with (enclosures) to which it is a reply, is forwarded, in continuation of the endorsement from this Office, No. 2903-I., dated the 27th August 1885, to the Department of Finance, for information and further orders.

By order, &c.,

FOREIGN DEPARTMENT:
SIMLA,
The 15th August 1888.

(Sd) G. R. IRWIN,
Junior Under-Secy. to the Govt. of India.

No. 3538—41690, dated Bangalore, the 21st October 1890.

From—The Assistant to the Resident in Mysore.
To—The Accountant General at Madras.

With reference to para: 2 of my letter No. 2920—2-A 5 dated 4th September 1890, I am directed to forward for verification the accompanying statement which shows the amount of pensionary contribution of certain officers and establishments that should be included in the *pro forma* account of the C. & M. Station of Bangalore for the year 1889-90.

Statement showing the amount of pensionary contribution to be added to the *pro forma* account of the C. & M. Station of Bangalore for the year 1889—90; under instructions contained in the Government of India, Foreign Department letter No. 1556 G, dated 15th August 1888.

Designation.	Name	Contribution leviable under the Civil Service Regulations		Period of employment in 1889-90	Total contribution leviable	Amount to be charged in the pro-forma account	Remarks.
		Assumed pay	Contribution per month				
Mysore Residency.							
Resident	Col. Sir O. B. C. St. John K.C.S.I., R.E.	1,850	462— 8—0	1st April 89 to 31st March 90	5,550— 0— 0	1,850—0— 0	One-third of the contribution charged.
Assistant to the Resident	Mr E. G. Colvin C. S.	800	200— 0—0	1st April 89 to 16th April 1889	106—10— 8	35—8—10	
	„ J. A. Crawford C. S.	1,200	300— 0—0	25th April 89 to 18th October 89	1,740— 0— 0	580—0— 0	
	Captain L. S. Newmarch B.S.C.	700	175— 0—0	29th Oct. 89 to 31st March 90	891—14—11	297—4—11	
Residency Surgeon	Surgeon-Major A. F. Dobson, M. B.	750	187— 8—0	1st April 89 to 31st March 90	2,370— 0— 0	790—0— 0	
Resident's office establishment		794	99— 4—0	Do	1,191— 0— 0	397—0— 0	
Do Treasury do		706¼	88— 5—0	Do	1,059—12— 0	353—4— 0	
Residency Surgeon's do		30	3—12—0	Do	45— 0— 0	15—0— 0	
						4,318—1— 9	
Civil and Military Station Bangalore.							
Civil and Sessions Judge	Col. W. Hill S. C.	1200	300— 0—0	1st April 89 to 31st March 90	3,600— 0— 0	3,600—0— 0	Col. Magrath went on privilege leave from 11th March 1890. Mr Hewetson acted as District Magistrate. Mr. Mellor, Inspector Officiated as District Superintendent of Police from 11th to 31st March 1890.
District Magistrate	„ H. M. S. Magrath S. C.	1000	250— 0—0	1st April 89 to 31st March 90	3,000— 0— 0	3,000—0— 0	
District Superintendent of Police	Mr. E. Hewetson.	700	87— 8—0	1st April 89 to 31st March 1890	1,050— 0— 0	1,050—0— 0	
Medical Subordinates of the Madras Govt. serving in Bangalore		205	25—10—0	1st April 89 to 31st March 1890	307— 8— 0	307—8— 0	
						7,957—8— 0	
					Total	12,275—9— 9	

The Resident's office,
Bangalore 21st October 1890.

L. S. NEWMARCH,
Assistant to the Resident.

No. 3780, dated Fort Saint George, the 26th November 1890.

From—T. W. Rawlins, Esqr: Accountant General.
To—the Assistant to the Resident in Mysore.

In returning your statement received with your letter No. 3538-416-90, dated the 21st October 90, I have the honor to state that, in the case of officers and establishments detailed therein, the pensionary charge to be included in the *pro forma* account should, I think, be determined with reference to the rules which apply to Foregin service of the third kind and that, accordingly, the pensionary contribution in these cases should under article 854 of the Civil Service Regulations be calculated as prescribed in article 823, on their sanctioned salaries, *i. e.*, the salaries they actually drew during the year to which the statement relates, and not on their assumed pay.

2. Before the statements are revised, however, I would observe that the last mentioned article (823) gives the rate of contribution required for both pension and leave allowances, while the Government of India direct in their letter No. 1556-E, dated 15th August 88, that pension charges alone should be shown in the *pro forma* account, in the case of other than the principal European officers. I, therefore, request that you will be good enough to move the Resident to obtain the orders of the Government of India, as to what rate should be taken for contribution for pension alone.

3. You may at the same time take orders also on the point whether other officers and establishments attached to the Civil and Military Station of Bangalore not included in your statement, should be shown in it, such as for instance, Resident's Court-establishment, Civil Judge's establishment. District Magistrate's establishment, Police Executive Force.

4. Lastly, in the revised statement which may be sent to this office for verification, the charge for superior and inferior servants of the several establishments should be shown separately, as the rates of contribution prescribed for these classes of servants are different.

No. 4149—416-90, dated Bangalore, the 16th December 1890.

From—The Assistant to the Resident, in Mysore
To—The Comptroller of India Treasuries, Calcutta.

I am directed to forward, for favour of your opinion, a copy of a letter No. 3780, dated the 26th November 1890, from the Accountant-General in Madras, with its enclosure, regarding the charges to be included in the *pro forma* account of the assigned tract for pensions and leave of officers serving in the tract, under instructions conveyed in the Foreign Department's letter No. 1556-G., dated the 15th August 1888.

2. The Accountant-General observes in the 1st para of his letter that the pensionary charge to be included in this account should be determined with reference to the rules which apply to foreign service of the 3rd kind, and that, accordingly, the pensionary contribution should be calculated as prescribed in article 823 of the Civil Service Regulations on salaries actually drawn. I am, however, to remark that the Government of India having obtained control over the revenues of the assigned tract, the officers and establishments serving in, and paid from the revenues of the tract, would appear to fall under foreign service of the 2nd and not the 3rd kind in the same way as officers service in Berar. Another and more conclusive reason in support of this view of the question is that the pay of the officers and establishments of this Residency is not met from the revenues of the Assigned Tract (*Vide* article 802 Civil Service Regulations para 3 and example). The Resident does not therefore consider that any special orders are required now. It may be mentioned that the statement of pensionary contribution included in the *pro forma* account for the year 1888—89 was prepared in the same manner as the inclosed statement and no objection was taken to it when the account was verified in your office.

3. If, however, you agree with the Accountant-General, I am to suggest that the orders of the Government of India may be obtained on the question raised in the 2nd para of Mr. Rawlin's letter as to what rate should be taken for contribution for pension alone under article 823 of the Civil Service Regulations.

4. With reference to the 3rd para of the Accountant-General's letter,—I am to explain that as the pension of the officers and establishments of the Assigned Tract proper will be debited to the revenues of that tract entirely, the Resident is of opinion that no charge on account of their pensionary contribution should be included in the *pro forma* account.

5. In conclusion, I am to say that the Accountant-General's request in para: 4 of his letter. to show separately the charge for pensionary contribution of superior and inferior servants, depends very much on the decision to be arrived at on para: 2 of this letter.

No.—F. 1016, dated Calcutta, the 20th January, 1892.

From—E. RULE, Esq., Comptroller, India Treasuries. & Ex-officio Examiner of Funds.

To—The Assistant to the Resident in Mysore, Bangalore.

With reference to your letter No. 4149—416-90 of the 22nd December last, forwarding for my opinion copy of a letter No. 3780 of the 26th November last from the Accountant-General, Madras, with its enclosure, regarding charges for leave and pensions of officers serving in the Assigned Tract, I have the honor to say that I am not in a position to give a decision on the subject as the register of pensionary contribution of officers lent to Mysore is not maintained in my office. I would therefore suggest the advisability of your taking the orders of Government in the matter.

2. The statement received with your letter is herewith returned.

Nos. 354—41630, dated Bangalore, the 31st January—3rd February 1891.

From—The Resident in Mysore.

To—The Secretary to the Government of India, Foreign Department.

I have the honour to submit, for the orders of the Government of India, a copy of a letter No. 3780, dated the 26th November 1890 from the Accountant-General in Madras, with a copy of its enclosure, regarding the charges to be included in the *pro forma* account of the Assigned Tract for pensions and leave of officers serving in the tract, under instructions conveyed in the Foreign Department letter No. 1556 G. dated the 15th August 1888.

2. The Accountant-General observes in the 1st para of his letter that the pensionary charge to be included in this account should be determined with reference to the rules which apply to foreign service of the 3rd kind, and that, accordingly, the pensionary contribution should be calculated as prescribed in article 823 of the Civil Service Regulations on salaries actually drawn. I beg however, to remark that the Government of India having obtained control over the revenues of the Assigned Tract, the officers and establishments serving in and paid from the revenues of the tract, would appear to fall under foreign service of the 2nd, and not the 3rd kind, in the same way as officers serving in Berar. Another and more conclusive reason in support of this view of the question is that the pay of the officers and establishments of this Residency is not met from the revenues of the Assigned Tract (vide article 802, Civil Service Regulations, para: 3 and example). I do not therefore consider that any special orders are required now. It may be mentioned that the statement of pensionary contribution included in the *pro forma* account for the year 1888-89 was prepared in the same manner as the inclosed statement, and no objection was taken to it when the account was verified in the office of the Comptroller of India Treasuries.

13. If, however, the Government of India agree with the Accountant-General, I beg that orders may be passed on the question raised in the 2nd para of

Mr. Rawlin's lettter as to what rate should be taken for contribution for pension alone under article 823 of the Civil Service Regulations.

4. With reference to the 3rd para: of the Accountant-General's letter, I am of opinion that, as the pension of the officers and establishments of the Assigned Tract proper will be debited to the revenues of that tract entirely, no charge on account of their pensionary contribution should be included in the *pro forma* account.

5. In conclusion, I may mention that the Accountant-General's request, in para: 4 of his letter, to show separately the charge for pensionary contribution of superior and inferior servants, depends very much on the decision to be arrived at on paragraph 2 of this letter.

No, 516 G, dated Simla, the 8th April 1891

From—The Under-Secretary to the Government of India, Foreign Department

To—The Resident in Mysore.

I am directed to acknowledge the receipt of your letter, No. 354—41690 dated the 31st January 1891, referring, for orders, certain questions which have been raised by the Accountant-General, Madras, in connection with the preparation of the *pro forma* account of the Mysore Assigned Tract for the year 1889 90 and, in reply, to communicate the following remarks and orders of the Government of India.

2. In the first place I am to say that as service in the Assigned Tract is paid from Imperial revenues, and is ordinarily qualifying, it is not foreign service at all, but that for the purpose of calculating the pension liability for the *pro forma* account the percentage rates prescribed in article 823 of the Civil Service Regulations may be adopted, as in the case of foreign service of the third kind, and the calculation made on actual and not on assumed salary.

3. With reference to paragraph 3 of your letter, I am to say that in order to carry out the orders contained in this Department's letter No. 1556 G., dated the 15th August 1888, contribution for pension only of other than the principal European officers should be taken at 12 per cent of actual salary. I am, however, to observe that as the case clearly comes under article 823 of the Civil Service Regulations, and as the orders referred to above were passed before the new Foreign service rules came into force, it would probably simplify matters to modify those orders, to the extent of taking in future full contribution for leave and pension in all cases under article 823. In that case it would be necessary to exclude all actual charges for leave from the *pro forma* account; should it be considered, however, that this course would be productive of extra trouble to the Account Office, the suggested change need not be made, In any case no alteration need be made in the *pro forma* account as passed for previous years.

4. With reference to paragraph 4 of your letter, I am to say that the percentage should be calculated on the salaries of all pensionable establishments, and no actual pension charges at all should appear in the *pro forma* account, as the percentage to be added takes the place of the actual charges.

5. Lastly, I am to say that the pensionary contributions of superior and inferior servants should be shown separately in order to facilitate the calculation of the pension charge.

Extract of letter No. ac.—1215, dated 23rd March 1898, from the Comptroller of India Treasuries to the address of the First Assistant to the Resident in Mysore.

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3. I beg to add that to avoid delay in future, the *pro forma* accounts should be sent to this office through the Accountant-General, Madras.

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R. P. B.—7-1919.—10.